

Washington, D.C. - The U.S. House of Representatives, moving with impressive speed and bipartisanship, passed a broad-based economic stimulus package today by a vote of 385-35, including a small-business tax cut provision first introduced by Rep. Melissa Bean (IL-08).

In a speech on the House floor before the vote, Bean urged swift action on the proposal, H.R. 5140, the Recovery Rebates and Economic Stimulus for the American People Act.

"Small businesses represent 80 percent of our domestic job growth and are a cornerstone of our communities," Bean said. "This package provides meaningful stimulus to those small business owners, encouraging them to increase investment and hiring."

Congresswoman Bean spoke with small businesses across the 8th district and heard that, upon passage of this legislation, they would move forward on capital expenditures they previously had put on hold.

"That's exactly the kind of stimulative effect Congress is looking for," Bean said.

Bean, who has worked with Congressional leaders and administration officials as they crafted the plan, previously introduced the GROW Act (H.R. 5107). The proposal included doubling the Section 179 small business expense tax deduction. This targeted and widely supported tax incentive is included in H.R. 5140.

The Section 179 deduction allows small business owners to write off expenses immediately instead of depreciating these expenses over many years. Current law allows businesses to write off up to \$125,000. The GROW proposal would double that to \$250,000 for 2008 only.

H.R. 5140 contains a number of other provisions meant to strengthen our economy. They include:

* A tax cut for 117 million families: The package provides tax relief of up to \$600 per individual and \$1,200 per married couple, plus an additional \$300 per child. Recovery rebate checks could be sent as early as mid-May. An estimated 5 million Illinois families will receive a rebate check of \$900 on average.

* Increased affordable refinancing opportunities in the housing market: For 2008, the bill increases the Federal Housing Administration loan limits, expanding affordable mortgage loan opportunities for families at risk of foreclosure. Similarly, the measure includes a one-year increase in the loan limits for single family homes from Fannie Mae and Freddie Mac.

* Enhanced bonus depreciation for businesses: The bill provides immediate tax relief for all businesses to invest in new equipment by speeding up depreciation provisions, so that firms can write off an additional 50 percent for investments purchased in 2008.

“This economic stimulus package will strengthen the economic health of our businesses, our nation and the families we represent,” Bean said.

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